



**PIONEER RESOURCES LIMITED**

**ABN 44 103 423 981**

**and its controlled entities**

**Interim Financial Report  
for the  
Half-Year ended 31 December 2013**

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2013 and any public announcements made by Pioneer Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

# **PIONEER RESOURCES LIMITED**

**ABN 44 103 423 981**

**and its controlled entities**

## **CORPORATE DIRECTORY**

### **DIRECTORS**

Craig I McGown  
*Independent Non-Executive Chairman*

David J Crook  
*Managing Director*

Allan Trench  
*Independent Non-Executive Director*

Thomas W Spilsbury  
*Independent Non-Executive Director*

**JOINT COMPANY SECRETARIES** Julie A Wolseley  
Susan Hunter

### **PRINCIPAL REGISTERED OFFICE**

21 Ord Street  
West Perth  
Western Australia, 6005  
Telephone: (08) 9322 6974  
Facsimile: (08) 9486 9393  
Email: [pioneer@PIOresources.com.au](mailto:pioneer@PIOresources.com.au)  
Internet: [www.PIOresources.com.au](http://www.PIOresources.com.au)

### **AUDITOR**

Deloitte Touche Tohmatsu  
Level 14, 240 St Georges Terrace  
Perth  
Western Australia, 6000

### **SHARE REGISTRY**

Security Transfer Registrars Pty Limited  
770 Canning Highway  
Applecross  
Western Australia, 6153  
Telephone: (08) 9315 0933  
Facsimile: (08) 9315 2233  
Email: [registrar@securitytransfer.com.au](mailto:registrar@securitytransfer.com.au)

### **STOCK EXCHANGE LISTING**

The Company's shares are quoted  
on the Australian Securities Exchange.  
The Home Exchange is Perth.

### **ASX CODE**

PIO - ordinary shares

# **PIONEER RESOURCES LIMITED**

**ABN 44 103 423 981**

**and its controlled entities**

## **C O N T E N T S**

	<i><b>Page(s)</b></i>
<b>Directors' Report</b>	1 - 3
<b>Auditor's Independence Declaration</b>	4
<b>Independent Review Report to the Members</b>	5 - 6
<b>Directors' Declaration</b>	7
<b>Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income</b>	8
<b>Condensed Consolidated Statement of Financial Position</b>	9
<b>Condensed Consolidated Statement of Changes in Equity</b>	10
<b>Condensed Consolidated Statement of Cash Flows</b>	11
<b>Condensed Notes to the Consolidated Financial Statements</b>	12 - 16

**PIONEER RESOURCES LIMITED**  
**and its controlled entities**

**DIRECTORS' REPORT**

---

Your Directors present their report on the consolidated financial statements for the half-year ended 31 December 2013. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

**DIRECTORS**

The following persons held office as Directors of Pioneer Resources Limited during the half-year and until the date of this report:

***Craig Ian McGown* – B Comm, FCA, ASIA**  
**Independent Non-Executive Chairman**

Mr McGown was appointed a Director on 13 June 2008. Mr McGown is an investment banker with over 35 years experience consulting to companies in Australia and internationally, particularly in the natural resources sector. He holds a Bachelor of Commerce degree, is a Fellow of the Institute of Chartered Accountants and an Affiliate of the Financial Services Institute of Australasia. Mr McGown is an executive director of the corporate advisory business New Holland Capital Pty Ltd and prior to that appointment was the chairman of DJ Carmichael Pty Limited. Mr McGown has had extensive experience in the corporate finance sector, including mergers and acquisitions, capital raisings in both domestic and international financial markets, asset acquisitions and asset disposals, initial public offerings and corporate restructurings.

Mr McGown brings to the Board a comprehensive knowledge of equity and debt markets and financing of resource projects.

***David J Crook* – B.Sc, MAusIMM, GAICD**  
**Managing Director**

Mr Crook was appointed the inaugural Managing Director of the Company on 11 August 2003. Mr Crook is a geologist with over 30 years of experience in exploration, mining and management, predominantly within Western Australia, where he has investigated gold, nickel sulphide, nickel laterite and other commodities in teams with an excellent discovery record. He has held senior management roles, including the Company's IPO, exploration management, project acquisitions, JV negotiations and capital raisings.

In Australia Mr Crook's operational experience has included tenement identification to ore reserve calculations for gold and base metal projects; and a decade engaged in operating gold mines. Prior to being employed by the Company his career highlights included participation in the discovery of the Radio Hill Nickel Mine, ore generation and early production and at the Gidgee Gold Mine during the 1980-1990s and prior to being employed by the Company was the exploration manager at Heron Resources Limited for seven years.

***Allan Trench* – B.Sc (Hons), Ph.D, M.Sc (Min. Econ), MBA (Oxon), ARSM, AWASM, MAusIMM, FAICD**  
**Independent Non-Executive Director**

Dr Trench was appointed a Director on 8 September 2003. Dr Trench is a mineral economist, geophysicist and business management consultant with minerals experience including nickel, copper, gold, oil and gas and also across a number of minor metals markets. Dr Trench led nickel sulphide exploration teams for WMC Resources in the Widgiemooltha-Pioneer and Leinster-Mt Keith regions of WA in the mid 1990's. He has subsequently worked with McKinsey and Company, KCGM Pty Ltd, Woodside Energy and with the independent mining and metals analysis global consultancy CRU Group. He is presently a Professor of Mineral Economics at Curtin University of Technology Graduate School of Business and is also a Research Professor (Risk & Value) at the Centre for Exploration Targeting, University of Western Australia.

Dr Trench currently holds directorships in Hot Chili Ltd, Enterprise Metals Limited and Trafford Resources Limited (all listed on ASX).

**PIONEER RESOURCES LIMITED**  
**and its controlled entities**

**DIRECTORS' REPORT**

---

**DIRECTORS (Continued)**

**Thomas Wayne Spilsbury** – *B.Sc (Hons), M.Sc (Applied Geology), APEGBC (P. Geo), FAusIMM (CP), MAIG, GAICD*

**Independent Non-Executive Director**

Mr Spilsbury was appointed a Director on 4 January 2010. Mr Spilsbury is a geologist who received his B.Sc. (Honors Geology) in 1973 from the University of British Columbia and his M. Sc. (Applied Geology) in 1982 from Queens University in Ontario. He brings over 35 years of experience in mineral exploration and management, including 28 years with Teck Cominco Limited and was their former General Manager, Exploration – Asia Pacific. In this role, he held responsibility for managing an extensive exploration portfolio including large-scale gold and base metal projects in Australia and China. Mr Spilsbury has worked throughout Western Canada, the United States, Asia and Australia.

Mr Spilsbury currently holds directorships in Minco Silver Corporation, GGL Resources Corp and International Lithium Corp. (all TSX listed).

The Directors named above each held office as at 31 December 2013.

**JOINT COMPANY SECRETARIES**

**Julie Wolseley** – *B.Com, CA, MAICD*

Ms Wolseley is the principal of a corporate advisory company with over 20 years' experience acting as company secretary to a number of ASX listed public companies operating primarily in the resources sector. Previously Ms Wolseley was an audit manager both in Australia and overseas for an international accounting firm. Ms Wolseley also holds a directorship in OM Holdings Ltd.

**Susan Hunter** – *B.Com; ACA; F Fin (GDipAFin(SecInst)); MAICD(Dip); ACIS(Dip)*

Ms Hunter is the principal of a corporate advisory company with over 18 years' experience in the corporate finance industry. She has held senior management positions in Ernst & Young, PricewaterhouseCoopers, Bankwest and a boutique corporate advisory firm.

Ms Hunter holds a Bachelor of Commerce degree from the University of Western Australia majoring in Accounting and Finance, is a Member of the Australian Institute of Chartered Accountants, a Fellow of the Financial Services Institute of Australasia and a Member of the Australian Institute of Company Directors. She is also a Member of the Institute of Chartered Secretaries and Administrators and Chartered Secretaries Australia and she is currently Company Secretary for several ASX listed companies and is a Non-Executive Director of ASX listed Dampier Salt Limited.

**REVIEW OF OPERATIONS**

The consolidated entity recorded an operating loss after income tax for the half-year ended 31 December 2013 of \$3,704,798 compared to the 31 December 2012 operating loss after income tax of \$591,626. The result for the half-year ended 31 December 2013 included exploration write-offs totalling \$3,375,547 (31 December 2012: \$66,753) primarily related to the consolidated entity's Golden Ridge Nickel Project and Acra Gold Project.

During the half-year the consolidated entity incurred a total of \$1,170,844 on exploration expenditure. A significant proportion of the exploration and evaluation expenditure was incurred on the consolidated entity's Golden Ridge Nickel Project, Fairwater Nickel Gold Project and Acra Gold Project.

Exploration activity at the consolidated entity's Golden Ridge Nickel Project culminated in an ASX Announcement dated 28 November 2013 disclosing a mineral resource estimate for the Blair Mine. In addition 3D models of conceptual targets were constructed from existing drilling data with exploration planned to focus on resultant targets considered to be the best locations to increase the known mineral resource particularly adjacent to existing mine infrastructure.

At the Fairwater Nickel Gold Project three fixed loop ground EM surveys were completed during the half-year and soil geochemistry commenced.

**PIONEER RESOURCES LIMITED**  
and its controlled entities

**DIRECTORS' REPORT**

---

**REVIEW OF OPERATIONS (Continued)**

Exploration at the Acra Gold Project during the half-year centred upon reverse circulation drilling of seven holes at the Kalpini South Prospect with six of the holes encountering gold mineralisation.

The Company's cash position at the end of the half-year was \$1,369,882. The consolidated entity's cash position was further supplemented since the end of the half-year by the receipt on 6 March 2014 of \$1.2 million from KalNorth Gold Mines Limited (formerly Carrick Gold Limited) with respect to deferred settlement associated with the sale of the Western Mt Jewell Gold Project announced on 13 March 2012.

**AUDITOR'S INDEPENDENCE DECLARATION**

Section 307C of the Corporations Act 2001 requires our auditors, Deloitte Touche Tohmatsu, to provide the Directors of the Company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 4 and forms part of the Directors' Report for the half-year ended 31 December 2013.

This report is made and signed in accordance with a resolution of Directors.

Dated at Perth this 14 March 2014.



**DJ Crook**  
Managing Director

The Board of Directors  
Pioneer Resources Limited  
21 Ord Street  
West Perth WA 6005

14 March 2014

Dear Board Members

**Pioneer Resources Limited**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Pioneer Resources Limited.

As lead audit partner for the review of the financial statements of Pioneer Resources Limited for the half-year ended 31 December 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



**Chris Nicoloff**

Partner

Chartered Accountants



## Independent Auditor's Review Report to the Members of Pioneer Resources Limited

We have reviewed the accompanying half-year financial report of Pioneer Resources Limited, which comprises the condensed statement of financial position as at 31 December 2013, and the condensed statement of profit or loss and other comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 7 to 16.

### *Directors' Responsibility for the Half-Year Financial Report*

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of Pioneer Resources Limited's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Pioneer Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



## *Auditor's Independence Declaration*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Pioneer Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

## *Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Pioneer Resources Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



DELOITTE TOUCHE TOHMATSU



**Chris Nicoloff**

Partner

Chartered Accountants

Perth, 14 March 2014

**PIONEER RESOURCES LIMITED**  
and its controlled entities

**DIRECTORS' DECLARATION**

---

In accordance with a resolution of the Directors of Pioneer Resources Limited, I state that:

In the opinion of the Directors:

1. The financial statements and notes of the consolidated entity, as set out on pages 8 to 16:
  - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
  - (b) give a true and fair view of the financial position as at 31 December 2013 and the performance for the half-year ended on that date of the consolidated entity.
2. In the Director's opinion there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Dated at Perth this 14 March 2014.



**DJ Crook**  
Managing Director

**PIONEER RESOURCES LIMITED**  
and its controlled entities

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME**

**For the half-year ended 31 December 2013**

	Note	31 December 2013 \$	31 December 2012 \$
<b>Continuing Operations</b>			
Other income	2(a)	176,513	170,142
Total revenue		176,513	170,142
Employee expenses		(334,880)	(460,869)
Corporate expenses		(89,677)	(68,429)
Depreciation	2(b)	(14,729)	(12,341)
Rental expense on operating leases	2(b)	(60,350)	(53,955)
Non-Executive Directors' fees		(92,500)	(92,500)
Insurance expenses		(26,212)	(20,420)
Legal expenses		(18,424)	(72,059)
Employee costs recharged to capitalised exploration		212,465	272,125
Administration costs recharged to capitalised exploration		36,000	36,000
Share-based payments expense	2(b)	(7,675)	(43,932)
Exploration costs written off	2(b)	(3,375,547)	(66,753)
Other expenses		(109,782)	(178,635)
Loss before income tax		(3,704,798)	(591,626)
Income tax		-	-
Net loss from continuing operations for the half year		(3,704,798)	(591,626)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the half year attributable to members of the Company		(3,704,798)	(591,626)
<b>Earnings/(loss) per share from continuing operations</b>			
Basic earnings/(loss) per share (cents per share)	4	(0.71)	(0.11)
Diluted earnings/(loss) per share (cents per share)	4	(0.71)	(0.11)

*The accompanying notes form an integral part of these financial statements.*

**PIONEER RESOURCES LIMITED**  
and its controlled entities

**CONDENSED STATEMENT OF FINANCIAL POSITION**

**As at 31 December 2013**

	Note	31 Dec 2013 \$	30 June 2013 \$	31 Dec 2012 \$
<b>CURRENT ASSETS</b>				
Cash and cash equivalents		1,369,882	2,490,617	3,701,458
Other receivables		1,267,584	1,272,717	1,327,399
Other financial assets		750	1,650	900
Other current assets		16,986	34,930	13,375
<b>TOTAL CURRENT ASSETS</b>		<b>2,655,202</b>	<b>3,799,914</b>	<b>5,043,132</b>
<b>NON-CURRENT ASSETS</b>				
Other receivables		1,050,801	1,030,000	2,155,000
Plant, equipment and motor vehicles		62,858	70,918	87,853
Capitalised mineral exploration		5,310,513	7,516,267	6,672,835
<b>TOTAL NON-CURRENT ASSETS</b>		<b>6,424,172</b>	<b>8,617,185</b>	<b>8,915,688</b>
<b>TOTAL ASSETS</b>		<b>9,079,374</b>	<b>12,417,099</b>	<b>13,958,820</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables		187,554	268,352	373,628
Provisions		113,327	106,256	122,579
<b>TOTAL CURRENT LIABILITIES</b>		<b>300,881</b>	<b>374,608</b>	<b>496,207</b>
<b>TOTAL LIABILITIES</b>		<b>300,881</b>	<b>374,608</b>	<b>496,207</b>
<b>NET ASSETS</b>		<b>8,778,493</b>	<b>12,042,491</b>	<b>13,462,613</b>
<b>EQUITY</b>				
Contributed equity	3	25,736,247	25,303,122	25,303,122
Share option reserve		448,586	800,401	975,603
Accumulated losses		(17,406,340)	(14,061,032)	(12,816,112)
<b>TOTAL EQUITY</b>		<b>8,778,493</b>	<b>12,042,491</b>	<b>13,462,613</b>

*The accompanying notes form an integral part of these financial statements.*

**PIONEER RESOURCES LIMITED**  
and its controlled entities

**CONDENSED STATEMENT OF CHANGES IN EQUITY**

**For the half-year ended 31 December 2013**

	Contributed Equity	Share Option Reserve	Accumulated Losses	Total
<b>BALANCE AT 1 JULY 2013</b>	<b>25,303,122</b>	<b>800,401</b>	<b>(14,061,032)</b>	<b>12,042,491</b>
Loss for the period	-	-	(3,704,798)	(3,704,798)
Other comprehensive income	-	-	-	-
<b>TOTAL COMPREHENSIVE LOSS</b>	<b>-</b>	<b>-</b>	<b>(3,704,798)</b>	<b>(3,704,798)</b>
<b>TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS</b>				
Shares issued during the period (net of transaction costs)	433,125	-	-	433,125
Directors and employees options	-	7,675	-	7,675
Transfer from share option reserve re: expired options	-	(359,490)	359,490	-
<b>BALANCE AT 31 DECEMBER 2013</b>	<b>25,736,247</b>	<b>448,586</b>	<b>(17,406,340)</b>	<b>8,778,493</b>
<b>BALANCE AT 1 JULY 2012</b>	24,900,622	446,870	(12,224,486)	13,123,006
Loss for the period	-	-	(591,626)	(591,626)
Other comprehensive income	-	-	-	-
<b>TOTAL COMPREHENSIVE LOSS</b>	<b>-</b>	<b>-</b>	<b>(591,626)</b>	<b>(591,626)</b>
<b>TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS</b>				
Shares issued during the period (net of transaction costs)	402,500	-	-	402,500
Options issued during the period	-	484,801	-	484,801
Directors and employees options	-	43,932	-	43,932
<b>BALANCE AT 31 DECEMBER 2012</b>	<b>25,303,122</b>	<b>975,603</b>	<b>(12,816,112)</b>	<b>13,462,613</b>

*The accompanying notes form an integral part of these financial statements.*

**PIONEER RESOURCES LIMITED**  
and its controlled entities

**CONDENSED STATEMENT OF CASH FLOWS**

**For the half-year ended 31 December 2013**

	31 Dec 2013 \$ Inflows/(Outflows)	31 Dec 2012 \$ Inflows/(Outflows)
<b>Cash flows from operating activities</b>		
Interest received	48,522	135,320
Sundry income received	110,506	2,490
GST paid on sale of Western Mt Jewell Project	-	(800,000)
Payments to suppliers and employees (inclusive of goods and services taxes)	(412,682)	(663,047)
Net cash flows used in operating activities	(253,654)	(1,325,237)
<b>Cash flows from investing activities</b>		
Payments for exploration and evaluation	(1,275,947)	(2,261,272)
Tenement bonds paid	(225,000)	-
Tenement bonds refunded	207,000	-
Proceeds from sale of plant and equipment	409	-
Payments for plant and equipment	(6,668)	(10,403)
Net cash flows used in investing activities	(1,300,206)	(2,271,675)
<b>Cash flows from financing activities</b>		
Proceeds from the issue of shares	437,500	-
Payment for transaction costs relating to the issue of shares	(4,375)	-
Net cash flows provided by financing activities	433,125	-
Net decrease in cash and cash equivalents held	(1,120,735)	(3,596,912)
Cash and cash equivalents at the beginning of the half-year	2,490,617	7,298,370
Cash and cash equivalents at the end of the half-year	1,369,882	3,701,458

*The accompanying notes form an integral part of these financial statements.*

**PIONEER RESOURCES LIMITED**  
and its controlled entities

**CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**For the half-year ended 31 December 2013**

---

**1. BASIS OF PREPARATION OF HALF-YEAR FINANCIAL STATEMENTS**

These general purpose half-year financial statements for the half-year ended 31 December 2013 have been prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including Accounting Standard AASB 134: *Interim Financial Reports* and other authoritative pronouncements of the Australian Accounting Standards Board ("AASB"). Compliance with AASB 134 ensures compliance with IAS 34 "Interim Financial Reporting". The Board considers the consolidated entity has sufficient cash resources to meet all operating costs for at least the next 12 months from the date of this report.

It is recommended that these half-year financial statements and reports be read in conjunction with the Annual Report for the year ended 30 June 2013 and any public announcements made by Pioneer Resources Limited and its controlled entities during the half-year in accordance with continuous disclosure obligations arising under the Corporations Act, 2001.

The half-year report has been prepared on the accruals basis and in accordance with the historical cost convention. Cost is based on the fair value of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

For the purpose of preparing the half-year financial statements, the half-year has been treated as a discrete reporting period.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2013 annual financial report for the financial year ended 30 June 2013.

In the half-year ended 31 December 2013, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2013.

It has been determined by the Company that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to the Company's accounting policies.

**Basis of consolidation**

The half-year consolidated financial statements comprise the financial statements of Pioneer Resources Limited and its controlled entities as at 31 December 2013 ('the consolidated entity').

**Estimates**

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, revenues and expenses. Actual results may differ from these estimates.

In preparing this consolidated interim financial report, the significant judgements made by management in applying the consolidated entity's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 30 June 2013.



**PIONEER RESOURCES LIMITED**  
and its controlled entities

**CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**For the half-year ended 31 December 2013**

	31 December 2013 \$	Consolidated 31 December 2012 \$	
<b>2. REVENUE AND EXPENSES</b>			
<b>Revenue and expenses from continuing operations</b>			
(a) Revenue			
Interest income	44,796	127,652	
Other income	131,308	42,490	
Proceeds from the sale of plant and equipment	409	-	
	<u>176,513</u>	<u>170,142</u>	
(b) Expenses			
Contributions to employees superannuation plans	30,005	40,452	
Share based payments expense	7,675	43,932	
Depreciation	14,729	12,341	
Rental expense on operating leases	60,350	53,955	
Provision for employee entitlements	7,070	19,513	
Exploration expenditure written off	<u>3,375,547</u>	<u>66,753</u>	
	31 Dec 2013 \$	30 June 2013 \$	31 Dec 2012 \$
<b>3. CONTRIBUTED EQUITY</b>			
(a) <i>Issued Capital</i>			
553,224,800 ordinary shares; (30 June 2013: 521,974,885 ordinary shares); (31 December 2012: 521,974,885 ordinary shares)	<u>25,736,247</u>	25,303,122	25,303,122

During the half year 31,249,915 ordinary shares were issued at an issue price of 1.4 cents each under the Company's Share Purchase Plan.

**PIONEER RESOURCES LIMITED**  
and its controlled entities

**CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**For the half-year ended 31 December 2013**

**3. CONTRIBUTED EQUITY (Continued)**

**(b) Options**

During the half year ended 31 December 2013 no options were issued.

During the half year ended 31 December 2013 the following options expired:

<b>Number of Options</b>	<b>Exercise Price</b>	<b>Expiry</b>
3,033,332	8.5 cents each	30 November 2013
3,008,332	10 cents each	30 November 2013
3,008,336	12 cents each	30 November 2013
433,333	8.5 cents each	31 December 2013
433,333	10 cents each	31 December 2013
433,334	12 cents each	31 December 2013
<b>45,000,000</b>		

The following unlisted options are outstanding in respect of ordinary shares as at 31 December 2013:

<b>Number of Options</b>	<b>Exercise Price</b>	<b>Expiry</b>
4,333,331	3.5 cents each	30 November 2014
4,333,331	4.5 cents each	30 November 2014
4,333,338	5 cents each	30 November 2014
15,000,000	10 cents each	15 October 2015
30,000,000	30 cents each	15 October 2017
<b>58,000,000</b>		

There have been no options issued since the end of the financial period.

**PIONEER RESOURCES LIMITED**  
and its controlled entities

**CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**For the half-year ended 31 December 2013**

	31 Dec 2013 \$	31 Dec 2012 \$
<b>4. EARNINGS/(LOSS) PER SHARE</b>		
The following reflects the loss and share data used in the calculations of basic and diluted earnings/(loss) per share:		
Earnings/(loss) used in calculating basic and diluted earnings/(loss) per share	<b>(3,704,798)</b>	(591,626)
	<b>Number of Shares 2013</b>	<b>Number of Shares 2012</b>
Weighted average number of ordinary shares used in calculating basic earnings/(loss) per share:	<b>524,692,269</b>	515,287,385
<i>Effect of dilutive securities</i>		
Share options*	-	-
Adjusted weighted average number of ordinary shares used in calculating diluted earnings/(loss) per share	<b>524,692,269</b>	515,287,385

**\*Non-dilutive securities**

As at balance date, 58,000,000 unlisted options (which represent 58,000,000 potential ordinary shares) (31 December 2012: 70,100,000 unlisted options which represent potential ordinary shares) were not dilutive as they would decrease the loss per share.

**5. DIVIDENDS**

No dividend has been declared or paid during the half-year ended 31 December 2013.

**6. EVENTS SUBSEQUENT TO BALANCE DATE**

Since 31 December 2013, no event has arisen that would be likely to materially affect the operations of the consolidated entity, the results of the consolidated entity or the state of affairs of the consolidated entity not otherwise disclosed in the consolidated entity's financial statements other than:

- (i) On 6 March 2014 the Company received \$1.2 million as an instalment from KalNorth Gold Mines Limited (formerly Carrick Gold Limited) in relation to the sale announced on 13 March 2012, whereby the Company sold its 100% legal and beneficial interest in the exploration licences, prospecting licences and a mining lease application which comprised the Western Mt Jewell Gold Project, together with all drilling results and other information regarding the Western Mt Jewell Gold Project for total consideration of \$8 million. As a result a total of \$6.9 million has been received to date with a further instalment of \$1.1 million due on 6 March 2015.

**PIONEER RESOURCES LIMITED**  
and its controlled entities

**CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**For the half-year ended 31 December 2013**

---

**7. CONTINGENT ASSETS AND LIABILITIES**

Since the last reporting date, there has been no change of any contingent liabilities or contingent assets.

**8. SEGMENT INFORMATION**

The consolidated entity operates predominantly in one segment involved in the mineral exploration and development industry. Geographically the consolidated entity is domiciled and operates in one segment being Australia. For management purposes, the consolidated entity is organised into one main operating segment which involves the exploration of minerals in Australia. All of the consolidated entity's activities are interrelated and discrete financial information is reported to the Board as a single segment. Accordingly, all significant operating decisions are based upon analysis of the consolidated entity as one segment. The financial results from this segment are equivalent to the financial statements of the consolidated entity as a whole.

**9. FINANCIAL INSTRUMENTS**

The consolidated entity's financial instruments consist of those which are measured at amortised cost including trade and other receivables and trade and other payables. The carrying amount of these financial assets and liabilities approximate their fair value. The consolidated entity does not hold any financial instruments which are required to be measured at fair value.